

UGU DISTRICT MUNICIPALITY



**2019/2020 SERVICE DELIVERY AND BUDGET IMPLEMENTATION
PLAN**

SDBIP

MUNICIPAL MANAGER

6/27/2019

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1. Legislated Framework

The Municipal Finance Management Act (MFMA) No 56 of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration & community. It gives effect to the IDP and budget of the municipality. The municipal budget shall give effect to the strategic objectives contained in the IDP. The SDBIP shall contain details on the execution of the budget & information on programmes & projects. There should be regular reporting on progress on the programmes or projects hence the performance evaluation have been indicated in the document. The SDBIP intends to empower councillors to perform their oversight responsibility better.

Section 69(3)(a) of the Municipal Finance Management Act, Act 56 of 2003(MFMA) requires the Accounting Officer to submit a draft Service Delivery and Budget Implementation Plan (SDBIP) to the Mayor: no later than 14 days after the approval of the Budget and drafts of the performance agreements as required in terms of Section 57 (1) (b) of the Municipal Systems Act, Act 32 of 2000. The Mayor must subsequently approve the SDBIP no later than 28 days after the approval of the Budget in accordance with section 53(1)(c)(ii) of the MFMA

Section 1 of the MFMA defines the SDBIP as:

“ a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include the following:

- Projections for each month
- Revenue to be collected by source; and
- Operational and capital expenditure by vote
- Service Delivery targets and performance indicators for each quarter.”

The SDBIP is a one – year detailed implementation plan which gives effect to the IDP and Budget of the Municipality.

It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months.

This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

The five necessary components are:

1. Monthly projections of revenue to be collected for each month
2. Monthly projections of expenditure (operating and capital) and revenue for each vote
3. Quarterly projections of service delivery targets and performance indicators
4. Ward information for expenditure and service delivery
5. Detailed capital works plan broken down by ward over three years

1.1 Purpose Of The SDBIP

The Service Delivery and Budget Implementation Plan (SDBIP) is a detailed annual financial plan for implementing services using the approved budget for 2019/2020. This annual service delivery plan called the SDBIP is based on the approved IDP and Budget. The SDBIP serves as a contract between the municipality and the community on the services that the municipality commits to deliver over the twelve (12) months. It also helps to hold the municipality and its management accountable for the performance on the mentioned programmes and projects.

1.2 Background

The MFMA prescribes that each municipality must compile its SDBIP. The Mayor of the municipality is required to approve the SDBIP within 28 days after the approval of the budget and table the same at a Municipal Council meeting and made public no later than 14 days after approval for information. National Treasury's MFMA Circular

No.13 further states that the SDBIP is a layered plan, once the top-layer targets have been set as in this document, the various departments of the municipality develop the next lower-level. The organisation of the SDBIP is in terms of the prescribed Key Performance Areas:

1. Service Delivery and Infrastructure
2. Municipal Transformation and Organisational Development
3. Local Economic Development and Social Development
4. Municipal Financial Viability and Management
5. Good Governance and Public Participation
6. Cross-cutting Intervention

1.3 Monitoring And Evaluation

The Organisational Performance Management System (OPMS) Framework and Policy were approved by Council.

The performance management system makes provisions for the Quarterly and Mid-year performance reporting and reviews on the implementation of the SDBIP. The key focus areas and service delivery targets for the 2019/2020 are outlined in the departmental scorecards of this plan.

1.4 General Key Performance Indicators

The following key performance indicators will be complied with as prescribed in terms of Section 10 of the Local Government Municipal Planning and Performance Management Regulations, 2001:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- The percentage of households earning less than R1100 per month with access to basic free services;

- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- The number of jobs created through the municipality's local economic development initiatives including capital projects;
- The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan; and Financial viability as expressed by the ratios in the gazette.

2. Strategic Objectives Per Key Performance Area

A. Municipal Transformation and Organisational Development

- To build and strengthen the administrative and institutional capability of the municipality

B. Basic Service Delivery

- To provide access to sustainable quality drinking water and sanitation services.

C. Local Economic Development and Social Development

- To create a conducive environment for economic growth and job opportunities

D. Good Governance and Public Participation

- To create a conducive environment or participatory development

E. Municipal Financial Viability and Management

- To develop and maintain a financially viable and sustainable organisation that achieves full compliance with legislation

F. Cross Cutting Issues

- To develop and promote an integrated sustainable environment

3. REVISED ADJUSTED 2019/2020 Monthly Financial Projections

3.1 Monthly Projections Of Revenue By Source

Monthly projections of Revenue by Source	Total projections of revenue by source	July R'000	August R'000	September R'000	October R'000	November R'000	December R'000	January R'000	February R'000	March R'000	April R'000	May R'000	June R'000
Service charges - water revenue	581 217 852	43 347 395	38 466 862	37 027 313	47 027 313	38 466 862	41 676 048	48 735 811	42 153 109	43 744 922	53 744 922	43 744 922	103 082 376
Service charges - sanitation revenue	133 236 910	11 786 557	7 173 063	8 442 085	11 442 085	9 638 166	9 002 258	11 496 450	14 258 919	11 064 086	11 064 086	11 064 086	16 805 071
Rental of facilities and equipment	739 713	89 698	59 402	29 235	29 235				23 678	304 943			203 522
Interest earned-external investments	2 535 182			425 716					610 864	211 265	211 265	211 265	864 807
Interest earned-outstanding debtors	1 136 871				369 607		126 015			169 321	169 321	169 321	133 286
Other income	880 788	46 940				152 235	115 388	41 759	421 000				610 986
Gains on disposal of PPE													
Government grants & subsidies	526 789 662	181 904 572	420 851	387 081	387 081	93 201	145 302 277		2 483 984	40 633 583	40 633 583	40 633 583	73 909 865

TOTAL REVENUE BY SOURCE	1 247 044 498	237 175 162	46 120 178	46 311 430	59 255 321	48 350 464	196 221 986	60 274 020	59 951 554	96 128 120	105 823 177	95 823 177	195 609 912

3.2 Monthly Projections of Revenue and Expenditure by Vote

Department Votes	JULY			AUGUST			SEPTEMBER		
	Revenue	Opex	Capex	Revenue	Opex	Capex	Revenue	Opex	Capex
Vote1 - Executive & Council	5 060 024	5 018 357	41 667	9 568 268	9 484 601	41 667	5 950 899	5 909 232	41 667
Vote2 - Finance & Administration	13 726 091	13 726 091	0	33 156 457	33 156 457	0	23 211 398	16 239 629	6 971 769
Vote3 - Infrastructure & Economic Development	23 327 647	23 327 647	0	14 297 317	0	0	0	0	0
Vote4 - Water	17 729 096	0	17 729 096	41 200 650	8 165 007	33 135 643	68 666 000	61 694 231	6 971 769
Vote5 - Waste Water Management	12 056 478	13698762	0	4 703 482	0	4 703 482	8 530 538	7 348 283	1 182 255
Vote6 - Public Safety	1 944 840	1 882 079	62 761	62 761	3467047.5	62 761	62 761	0	62 761
Vote7 - Environmental Protection	13 698 762	13 698 762	0	3 529 808	3 529 808	0	0	0	0
Vote8 - Other: Markets	0	0	0	0	0	0	0	0	0
Vote9 - Sports & Recreation	256 811	256 811	0	0	261010	0	0	0	0

Department Votes	OCTOBER			NOVEMBER			DECEMBER		
	Revenue	Opex	Capex	Revenue	Opex	Capex	Revenue	Opex	Capex
Vote1 - Executive & Council	6 153 706	6 112 039	41 667	6 897 411	6 855 744	41 667	5 953 858	5 912 191	41 667
Vote2 - Finance & Administration	23 850 310	23 850 310	0	62 671	62 671	0	15 269 484	15 269 484	0
Vote3 - Infrastructure & Economic Development	0	0	0	0	0	0	0	0	0
Vote4 - Water	58 395 096	25 259 453	33 135 643	53 911 042	58 514 833	396 209	56 253 193	26 765 417	29 477 776
Vote5 - Waste Water Management	15 231 477	10 527 995	4 703 482	5 423 333	5 423 333	0	10 109 908	1 748 559	8 361 349
Vote6 - Public Safety	62 761	0	62 761	62 761	0	62 761	62 761	0	62 761
Vote7 - Environmental Protection	0	0	0	2 584 796	0	0	0	0	0
Vote8 - Other: Markets	0	869542	869 542	0	0	0	0	0	0
Vote9 - Sports & Recreation	0	0	0	0	0	0	144 420	144 420	0

Department Votes	JANUARY			FEBRUARY			MARCH		
	Revenue	Opex	Capex	Revenue	Opex	Capex	Revenue	Opex	Capex
Vote1 - Executive & Council	4 882 992	4 841 325	41 667	4 860 319	4 818 652	41 667	6320 515	6 278 848	41 667
Vote2 - Finance & Administration	17 597 191	17 597 191	0	24 550 861	24 550 861	0	23 170 768	23 170 768	0
Vote3 - Infrastructure & Economic Development	0	0	0	0	0	0	0	0	0
Vote4 - Water	45 234 108	12 098 465	40 076 874	52 057 956	68 278 286	20 568 151	69 161 126	68 928 772	232 354
Vote5 - Waste Water Management	7 443 570	2 740 088	8 361 349	13 002 479	3 296 349	501 764	7 941 944	7 941 944	0
Vote6 - Public Safety	62 761	0	62 761	62 761	62 761	62 761	72 761	0	62 761
Vote7 - Environmental Protection	2 547 897	2 547 897	0	0	0	0	0	0	0
Vote8 - Other: Markets	0	0	0	0	0	0	456 730	456 730	0
Vote9 - Sports & Recreation	0	0	00	0	289 641	0	0	0	0

	APRIL			MAY			JUNE		
	Revenue	Opex	Capex	Revenue	Opex	Capex	Revenue	Opex	Capex
Vote1 - Executive & Council	6 320 515	6 278 848	41 667	6 320 515	6 278 848	41 667	1 462 193	1 420 526	41 667
Vote2 - Finance & Administration	23 170 763	23 148 955	21 813	20 497 640	20 278 805	218 835	16 114 455	0	16 1144 455
Vote3 - Infrastructure & Economic Development	0	0	0	0	0	0	28 280 704	28 280 704	0
Vote4 - Water	51 611 266	47 617 282	3 993 984	61 611 266	43 102 581	18 508 685	49 025 096	43 343 758	5 681 338
Vote5 - Waste Water Management	9 419 442	6 690 099	2 729 343	14 258 963	7 779 200	0	19 100 843	0	19 100 843
Vote6 - Public Safety	62 761	0	62 761	62 761	0	62 761	1 050 505	987 744	62 761
Vote7 - Environmental Protection	0	0	0	0	0	0	3 594 216	3 594 216	0
Vote8 - Other: Markets	0	0	0	0	0	0	23 728	23 728	0
Vote9 - Sports & Recreation	0	0	0	0	0	0	118 118	118118	0

3.3 Total Projections Of Revenue & Expenditure By Vote

DEPARTMENTAL VOTES	Revenue	Capex	Opex
Vote1 - Executive & Council	69 751 214	500 000	69 251 214
Vote2 - Finance & Administration	252 961 090	26 000 000	226 961 090
Vote3 - Infrastructure & Economic Development	52 608 351	0	52 608 351
Vote4 - Water	646 066 225	213 565 389	432 500 836
Vote5 - Waste Water Management	112 678 848	45 986 000	66 692 848
Vote6 - Public Safety	7 090 000	753 129	6 336 871
Vote7 - Environmental Protection	19 359 127	0	19 359 127
Vote8 - Other: Markets	1 350 000	0	1 350 000
Vote9 - Sports & Recreation	1 070 000	0	1 070 000
TOTAL PROJECTIONS OF REVENUE & EXPENDITURE	1 162 934 855	286 804 518	876 130 337